

**20TH
ANNUAL REPORT
2011-2012**



ASHOK ALCO-CHEM LIMITED

ASHOK ALCO-CHEM LIMITED

BOARD OF DIRECTORS : Dr. Anil M. Kadakia Chairman & Managing Director
Mr. Vandravan P. Shah Independent Director
Dr. Unesh Kulkarni Independent Director
Mr. Rajendra A. Shah Independent Director
Mr. Manoj Ganatra Independent Director
Mr. Subramaniam Ayyar* Independent Director
*(Resigned w.e.f. 11th July, 2011)

BANKERS : AXIS BANK LTD.

AUDITORS : R .A. KUVADIA & Co.
Chartered Accountants, Mumbai

REGISTERED OFFICE : 404, Sharda Chambers, 33, New Marine Lines,
V. Thakersey Marg, Mumbai - 400 020.
Tel. No.: 022-6144600, Fax No.: 022-66104355

PLANTS : **ACETIC ACID UNIT & ETHYL ACETATE UNIT**
Plot No. A-22/2/1, Mahad Industrial Area,
Village Kamble, Mahad - 402 301.
Dist : Raigad, Maharashtra

REGISTRAR AND SHARE : **LINK INTIME INDIA PVT. LTD.**

TRANSFER AGENT : C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai – 400 078.
Tel. No.: 022-25946970, Fax No.: 25946969
Email: rnt.helpdesk@linkintime.co.in

ASHOK ALCO-CHEM LIMITED

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Shareholders of Ashok Alco-Chem Limited will be held on Thursday the 6th September, 2012, at 10.00 a.m. at Kilachand Conference Room, Indian Merchant's Chamber, Churchgate, Mumbai – 400 020, to transact, with or without modification(s) as may be permissible, the following business:

Ordinary Business.

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date, the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. Umesh Kulkarni, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration, and for the purpose, to pass the following Resolution, which will be proposed as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs R.A. Kuvadia & Co. (Registration No. 105487W), Chartered Accountants, Mumbai, the retiring Auditors, be and is hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in performance of their duties.”

For and on behalf of the Board,

Place : Mumbai
Date : 22.05.2012

Anil M. Kadakia
Chairman & Managing Director

NOTE FOR MEMBERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Notice is also hereby given that the Register of Members and Transfer Books in respect of Equity Shares of the Company will remain closed from Saturday, the 1st September, 2012 to Thursday, the 6th September, 2012(both days inclusive).
4. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance pertaining to appointment of the Directors/reappointment of the retiring Directors, a statement containing details of the concerned Directors is attached herewith.
5. Members are requested;
 - i) to notify changes, if any, in their address to the Registrar and Share Transfer Agents at the earliest.
 - ii) to hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the Company for admission to the venue of the Meeting.
6. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least seven days in advance of the Meeting so that the information required can be readily available at the meeting.
7. Pursuant to SEBI circular No. D&CC/FITTC/CIR-15/2002 dtd. 27.12.2002 all the work related to share registry in terms of both physical and electronic are being done by the Company's R&T Agents M/s. Link Intime Registry Pvt. Ltd. Therefore, shareholders are requested to send their communication directly to them in future.

ASHOK ALCO-CHEM LIMITED

The Ministry of Corporate Affairs, Government of India, through its Circular Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular, it is proposed that henceforth documents as mentioned above will be sent electronically to the email addresses provided by you and made available to the Company by the Depositories viz. NSDL / CDSL. As and when there are changes in your email address, you are requested to update the same with your depository participant.

For Shares held in physical form, Shareholders can register their email address with the Company.

Details of Directors seeking re-appointment in Annual General Meeting fixed on 6th September, 2012.

Name of Director	Dr. Umesh Kulkarni
Date of Birth	12.03.1946
Date of Appointment	17.06.2002
Expertise in specific functional areas	Expertise in Pollution Control
Qualifications	M.Sc. Ph.D.
List of outside Directorships held Excluding Alternate Directorship, Private Companies and Foreign Companies.	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company	Audit Committee Investor Grievances Committee Remuneration Committee
Chairman/ Member of the Committee of the Board of Directors of other companies in which he/she is a Director	Nil
a. Audit Committee	
b. Investor Grievances Committee	
No. of Shares Held in the Company	Nil

ASHOK ALCO-CHEM LIMITED

DIRECTORS' REPORT

The Members,

Ashok Alco-Chem Limited

Mumbai.

Your Directors submit their 20th Annual Report together with the Statement of Account for the year ended on 31st March, 2012.

The following figures summaries the financial performance of the Company during the year under review.

1. Financial Results :

Particulars	(Rs. In Lacs)	
	31 st March, 2012	31 st March, 2011
Turnover (net of excise & sales tax)		
and Other Income	31883	28692
Profit (Loss) before Interest, Depreciation and Tax	658	293
Less: Finance Cost	104	98
Depreciation	99	99
Deferred Tax Surplus/ (Provision)	(109)	80
Add: Prior period adjustment	2	2
Net Profit / (Loss) for the year	348	174
Balance in Profit & Loss Account	(1697)	(1871)
Balance Carried Forward	(1349)	(1697)

2. Dividend :

In view of carry forward loss, your Directors do not recommend payment of dividend to the Shareholders for the year under review.

3. Operation in Retrospect:

During the Year under review, the Company showed significant improvement in performance by registering increased Total Income of Rs. 31883 lacs (net of excise and sales tax) as against of Rs. 28692 lacs of previous year. The Company also earned Net Profit of Rs. 328 lacs as against Net Profit of Rs 174 lacs in the previous year.

The Chemical Division has generated increased Gross Income of Rs. 8439 lacs against Rs. 2994 lacs of previous year.

In respect of Global trading, the company has made efforts to increase its margins. As a result, while the sale has not grown, profits have increased to Rs. 382 lacs in respect of trading division.

The overall profit for the year under review is of Rs. 348 lacs, as against profit of Rs. 174 lacs, of the previous year.

In spite of the odds faced by Chemical division, such as adverse and unfavorable conditions due to dumping of imported products at cheaper price, increase in cost of other inputs, non availability of Working Capital facilities, etc. suppressing available margins, the division has registered a growth of Rs 5445 lacs in turnover and a reduction in loss to Rs 55 lacs. This was possible because of continuous and conscious efforts to exploit its increased installed capacity and generate higher Turnover and reduce its fixed and overhead cost with increase in volume of production, correspondingly.

The Company has been as in past continuing to put thrust upon increasing productivity with utilization of its Optimum capacity in Chemical Division and promotion of its Trading divisions. With effective penetration of market and undertaking of systematic and planned approach, the Company hopes to bring improved results in coming years.

4. Management Discussion And Analysis:

(a) Industry Structure and Development :

The overall growth of the Indian Economy and higher industrial growth augur well for the future. The industrial climate is also positive for an enhanced role in the global economy. In this scenario, market for the Company's products has improved substantially and this development is expected to continue in the future.

(b) Outlook :

Organic Chemical Industry in India continues to face competition within itself from petro-route vis-à-vis the alcohol route. Again the pricing of petro-route had direct relation with the movements in crude prices internationally whereas the pricing of alcohol route had effects of government policies of using alcohol in automobile fuel, portable uses.

Trading Division continues to see volatility in commodity prices and a reduced demand globally. The availability of natural resources is also proving to be a constraint for growth. The Company seeks to improve operating margin by better sourcing.

(c) Segment-wise Performance :

The Company's Chemicals division has shown significant working improvement during the last quarter of the year 2011-12 due to enhanced manufacturing capacity of Ethyl Acetate. The trading division posted better operating margins and higher profitability. The volatility in foreign exchange however is getting difficult to manage. But the Company has maintained its profitability by better forex and freight management.

(d) Opportunities, Threats, Risks and Concerns:

The uncertainties faced by the Indian economy through movements in crude prices in international market as well as changes in government policies as to molasses and alcohol, towards allocation of the same for portable and automobile sector and export of molasses and alcohol, represent threats and risks to be reckoned in the Industry. The Company being a part of the Industry is affected by these threats, risks and uncertainties as to Chemical division.

Trading is highly exposed to various risks: Price risk, Credit risk, Exchange risk and Freight rates. The Company tries to minimize the impact of these risks by entering into suitable hedging / forward contracts, and effective risk management tools.

(e) Financial Performance:

Financial Performance achieved by the Company during the year under review, are shown in the Directors' Report to the Shareholders.

(f) Internal Control Systems and Adequacy:

The Internal Control Systems are continuously being updated and strengthened, realizing the need for the same. The overall activities / transactions were closely monitored with proper checks and controls.

ASHOK ALCO-CHEM LIMITED

(g) Human Relations :

There have been cordial relations in the Company during the period. The Company wishes to thank the workers, its union and leaders for their continuing solid support.

(h) Cautionary Statement :

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation may be 'forward - looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include availability of adequate Working Capital, economic conditions affecting demand / supply, price conditions in the domestic, overseas markets, and volatility in foreign Exchange in which the Company operates, changes in Government regulations, tax laws and other statutes.

5. Directors' Responsibility Statement :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors state that :

- i) in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2012 and of the profit of the company for the year ended on that date ;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the directors have prepared the annual accounts on a 'going concern' basis.

6. Board of Directors :

Dr. Umesh Kulkarni retires by rotation and being eligible, offers himself for re-appointment.

7. Audit Committee :

As required in terms of Clause 49 of the Listing Agreement entered in to with the Bombay Stock Exchange Limited, the Audit Committee duly constituted by Independent Directors, performed its duties as required in terms thereof.

8. Remarks made by Auditors in their Report :

Remarks and observation made by the Statutory Auditors in their Report are self explanatory and do not call for any further explanation and clarification.

9. Statutory Disclosures :

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report, is annexed to this report as **Annexure- A**.

As per Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975, as amended, are not furnished as no employee is covered there under, during the year under review.

10. Corporate Governance:

As per the amended Listing Agreement with the Bombay Stock Exchange Limited, your Company complied with the requirements of Corporate Governance and Report thereon forms part of this Report as **Annexure - B**.

11. Report on Corporate Social Responsibility:

The Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at the Company encourages all its employees and other participants to ensure a positive impact and its commitment towards corporate social responsibility.

The Company respects human rights, values its employees, and invests in technologies and solutions for economic growth. The Company has initiated to support social and community welfare activities touching the lives of people around the project locations and ensuring the highest standards of safety and environment protection in our operations.

12. Health Safety and Environment:

The Company's commitment to excellence in Health and Safety is embedded in the Company's core values. The Company has a stringent policy of 'safety for all', which drives all employees to continuously break new ground in safety management for the benefit of people, property, environment and the communities where we operate on sites. The Company is aware of the environmental impact of its operations and it continually strives to reduce such impact.

13. Auditors :

M/s R. A. Kuvadia & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting, being eligible, offer themselves for re-appointment.

In pursuance to Section 233-B of the Companies Act, 1956 your Directors have appointed M/s N. RITESH & ASSOCIATES to conduct the cost audit of Chemical Division at Mahad for the year 2012-2013.

14. Fixed Deposits :

Your Company has not accepted any fixed deposit from public attracting the provisions of Section 58 A of The Companies Act, 1956 and the rules made there under.

15. Insurance :

The properties and insurable assets of the Company including buildings, plant and machinery and inventories are adequately insured.

16. Employees :

Cordial atmosphere of understanding prevailed at all levels of employees of the Company.

17. Acknowledgment :

The Board acknowledges with thanks the contributions and support received from the Government, Local Authorities, Financial Institutions and Banks, Creditors and Suppliers, Valued Customers, Employees and the Shareholders of the Company.

For and on behalf of the Board,

Place : Mumbai

Date : 22.05.2012

Anil M. Kadakia

Chairman & Managing Director

ASHOK ALCO-CHEM LIMITED

Annexure "A"

Information as per section 217 (1) (e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

A. CONSERVATION OF ENERGY :

(a) Measures taken :

The Company undertook various energy conservation measures at its manufacturing units which, inter alia, include :

- (i) Cooling tower at Mahad shows improved performance by use of non-conventional parts and accessories.
- (ii) Power factor improved by installation of capacitors.

(b) Additional Investments & Proposals :

- (i) Painting and insulation of pipelines and equipments periodically.
- (ii) Replacement of out-dated/old parts and accessories on regular basis

(c) Impact of the measures :

The measures have benefited the company in optimizing the energy consumption per unit of production under continuous operation.

(d) Total energy consumption and energy consumption per unit of production.

A. Power and fuel Consumption :

	(₹ in Lacs)	
	2011-12	2010-11
1) ELECTRICITY		
a) Purchased -		
Unit (Knh in lacs)	18.90	14.59
Total Amount (Rs. In Lacs)	128.14	84.94
Cost Per Unit	6.78	5.82
b) Own Generation		
Through Diesel Generator-		
Unit (Knh in lacs)	Nil	Nil
Units per liter of Diesel Oil	Nil	Nil
Cost per Units	Nil	Nil
2) FURNACE OIL		
Quantity (K. Ltrs.)	Nil	28.00
Total Amount (₹ in lacs)	Nil	6.25
Average Rate (per K. Ltrs)	Nil	22.17
3) DIESEL OIL		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (₹ In lacs)	Nil	Nil
Average Rate (per K. Ltrs.)	Nil	Nil
4) COAL		
(Steam Coal of Grade A/B used as fuel for Boiler)		
Quantity (MT)	8117	4731
Total Cost (₹ In lacs)	450.83	238.16
Average Rate (per K. Ltrs.)	5.55	5.03

B. Consumption per unit production :

(Please refer Notes given here in below)

	2011-2012	2010-2011
(i) Acetic Acid :		
Electricity Kwh/MT	460	460
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	560	560

(ii) Ester :		
Electricity Kwh/MT	116	239
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	561	598
(iii) Acetaldehyde		
Electricity	397	310
Coal Kg./MT	879	698

Notes :-

1. The consumption per unit of production gives only broad indication as it is arrived at without taking into consideration the variations in grade, quality and purity of the products.
2. The consumption of power per unit of production includes the consumption for ETP.

B. I. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption : Nil

RESEARCH & DEVELOPMENT :

1) Specific area in which R & D carried out by the Company.

Processes are modified on on-going basis for enhancing the efficiency and energy conservation.

2) Benefits derived as a result of above R & D

- a) Higher production and productivity
- b) Better product quality
- c) Reduced Pollution

3) Future plan of action :

Continuous efforts are made to save energy and to improve the quality.

The Company has embarked on ISO 9001:2008 implementation.

4) Company has not incurred any expenditure on R & D.

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

1) Efforts, in brief, made towards technology absorption, adaptation & innovation.: N. A.

2) Benefits derived as a result of the above efforts. : N. A.

C. FOREIGN EXCHANGE EARNING AND OUT GO :

1. Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans.

Efforts are being to exports products

2. Total Foreign Exchange earned and spent.

	(Amount in ₹)	
	Current Year	Previous Year
i) Foreign Exchange used	715363144	885674814
ii) Foreign Exchange earned	1503022433	1623502480

For and on behalf of the Board,

Place : Mumbai,
Date : 22-05-2012

Dr. Anil M. Kadakia
Chairman & Managing Director

ASHOK ALCO-CHEM LIMITED

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy:

The Company believes in good Corporate Governance in turn with the guidelines recommended by SEBI and in terms of the Listing Agreements.

Given below is the report of the Board of Directors of the Company on Corporate Governance practices being followed by the Company.

2. Board of Directors:

Your Company's Board comprises of 5 Directors as on 31st March, 2012 with considerable experience in their respective fields; of these, 4 Directors are Independent Directors. As per Clause 49 of the Listing Agreement, requires that if the Chairman of the Company is executive than at least one-half of the Board of the company shall consist of independent directors and we are in compliance with the above requirement.

None of the Directors on the Board is a Member of more than 10 Committee or a Chairman of more than 5 Committee (as specified in Clause 49), across all the Company in which he/she is a Director. All the Directors have intimated periodically about their Directorship and Membership in the various Board Committees of other companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance Code.

The details of the attendance of each Director at the Board Meetings and Annual General Meeting held during the year and Directorships, Membership/ Chairmanship in Board Committees of other Companies are as follows:

Name of Directors	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship held*	Other Companies Committee Position held	
					As Member	As Chairman
Dr. Anil M. Kadakia	Managing Director	4	Yes	-	-	-
Mr. Vandravan P. Shah	Independent	3	Yes	1	-	-
Dr. Umesh Kulkarni	Independent	3	Yes	-	-	-
Mr. Rajendra Shah	Independent	3	Yes	1	3	-
Mr. Manoj Ganatra	Independent	3	Yes	-	-	-

*Other Directorship includes directorship held in Indian Listed companies only.

Board's functioning and Procedure:

Company's Board of Directors play the primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Annexure IA to Clause 49 of the Listing Agreement is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion. The details of Board meetings held during FY 2011-2012 are as outlined below:

Date of Board Meeting	No of Directors Present
27 th May, 2011	4 out of 6
4 th August, 2011	5 out of 5
10 th November, 2011	3 out of 5
8 th February, 2012	5 out of 5

3. Audit Committee :

Your Company has an Audit Committee at the Board level which acts as a link between the management, the statutory and internal auditors, the Board of Directors and oversees the financial reporting process. The Committee presently comprises four Non-Executive Directors; all of them are Independent Directors. During the year, the Audit Committee met 4 times to deliberate on various matters. The details of the attendance by the Committee members are as follows:

Name of Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Manoj Ganatra	Chairman	4	3
Mr. Vandravan P. Shah	Member	4	3
Dr. Umesh Kulkarni	Member	4	3
Mr. Rajendra Shah	Member	4	3
Mr. Subramaniam Ayyar*	Member	1	1

*Ceased to be the Director on resignation w.e.f. 11th July, 2011.

ASHOK ALCO-CHEM LIMITED

1. The Chairman of the Audit Committee, Mr. Manoj Ganatra (appointed as a Director on 8th April, 2011) was present at the last Annual General Meeting of your Company held on 4th August, 2011.
2. Dr. Anil M. Kadakia, Managing Director, the representative of the Statutory Auditor, Head of the Internal Auditor are permanent invitees of the Audit Committee.
3. The Board of Directors of the company in their meeting held on 4th August, 2011 has reconstituted the Audit Committee and appointed Mr. Manoj Ganatra as a Chairman and Mr. Vandravan P. Shah as a Member of the Audit Committee.

4. Remuneration Committee:

The Company has Remuneration Committee of Directors. One meeting was held during the year under review.

The Remuneration Committee has been constituted to recommend /review remuneration of the Executive Director based on their performance and defined assessment criteria.

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

The remuneration of Managing Director is approved by the Board within the overall limit fixed under the law. No other Directors are being paid remuneration excluding sitting fees for meeting attended by independent Directors.

The Composition and Attendance by the Committee members is as follows:

Name of Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Subramaniam Ayyar*	Chairman	1	1
Mr. Vandravan P. Shah **	Chairman	1	1
Dr. Umesh Kulkarni	Member	1	-
Mr. Rajendra Shah	Member	1	1

*Ceased to be the Director on resignation w.e.f. 11th July, 2011.

** Designated as Chairman of Remuneration Committee w.e.f. 11th July, 2011.

Non Executive Directors' compensation and Disclosure

All fees/compensation including sitting fee paid to the Non-Executive directors of the Company are fixed by Board of Directors within the limits approved by the shareholders. Company has increased sitting fees from Rs. 500 to Rs. 2,500 per Board Meeting and from Rs. 500 to Rs. 1,000 per Committee Meeting w.e.f. 10th November, 2011.

Executive Director is paid remuneration within the limits envisaged under Schedule XIII of the Companies Act, 1956. The said remuneration is approved by the Board as well as the Shareholders of the Company.

The details of Sitting fees / Remuneration paid to Directors for the year ended 31st March, 2012

a. Non- Executive Directors

Name of Director(s)	Sittings Fees Paid (Amt in ₹)
Mr. Vandravan P.Shah	7,500
Dr. Umesh Kulkarni	7,500
Mr. Rajendra Shah	8,500
Mr. Manoj Ganatra	9,500
Mr. Subramaniam Ayyar*	1,500

*Ceased to be the Director on resignation w.e.f. 11th July, 2011

b. Executive Directors

Name of Director	Business Relationship, if any with the Company	Remuneration paid during 2011-2012
Dr. Anil M. Kadakia	Managing Director	₹ 23,93,333 p.a.

5. Shareholders'/Grievance Committee:

The Company has an "Investor Grievance Committee" at the Board level to deal with various matters relating to redressal of shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/notices/ Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialisation / rematerialisation of shares and debentures, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

ASHOK ALCO-CHEM LIMITED

During the year under review, the Committee met once to deliberate on various matters referred above. Details of attendance by Directors for the Committee meeting is as follows:

Name of Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Vandravan P. Shah	Chairman	2	2
Dr. Umesh Kulkarni	Member	2	2
Mr. Rajendra Shah	Member	2	1
Mr. Manoj Ganatra	Member	2	1
Mr. Subramaniam Ayyar*	Member	1	1

*Ceased to be the Director on resignation w.e.f. 11th July, 2011

The Company's shares are compulsorily traded and delivered in the dematerialised form in Stock Exchange. Mr. V.B. Parikh is Compliance Officer of the Company. Details of complaints received, disposed off and pending during the year, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers pending are furnished in the "Shareholder Information" section of this Annual Report.

Details of Shareholding of Directors as on March 31, 2012 is as follows:

Name of Directors	No of Shares held
Dr. Anil M. Kadakia	12,33,558
Mr. Vandravan P. Shah	Nil
Dr. Umesh Kulkarni	Nil
Mr. Rajendra Shah	Nil
Mr. Manoj Ganatra	Nil

6. Committee on Open Offer:

The Company has formed a Committee of Independent Directors (IDC) on the Open Offer pursuant to Open Offer given by Aura Alkalies and Chemicals Pvt. Ltd. to equity shareholder of Ashok Alco-Chem Ltd. as per regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

During the year under review, the Committee met once to give Recommendations on Open offer. Details of attendance by Directors for the Committee meeting is as follows:

Name of Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Vandravan P. Shah	Chairman	1	1
Dr. Umesh Kulkarni	Member	1	1
Mr. Manoj Ganatra	Member	1	1

7. General Body Meetings:

Details of Annual General Meetings

Location and time, where Annual General Meetings (AGMs) in the last three years were held:-

Year	Location	Date	Time
2010-2011	H.T. Parekh Board Room, Indian Merchant's Chambers, Churchgate, Mumbai – 400 020.	04.08.2011	12.30 p.m.
2009-2010	R.S. Bhatt Seminar Room, 6 th floor, Above Patkar Hall, SNDT Women's University, New Marine Lines, Mumbai – 400 020.	17.09.2010	10.30 a.m.
2008-2009	404, Sharda Chambers Hall, 8 th Floor, Sharda Chambers, 33, New Marine Lines, Mumbai – 400 020.	25.09.2009	10.30 a.m.

In the last three years special resolution as set out in the respective notices for AGM's were passed by shareholders.

Whether any special resolution passed in last year through postal ballot? No

Person who conducted the postal exercise : NA

Whether any special resolution is proposed to be conducted through postal ballot : No

ASHOK ALCO-CHEM LIMITED

8. Disclosures :

Basis of related party transaction:

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details before the Audit Committee from time to time. Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes of Accounts forming part of the Annual Report.

Non-compliance/Strictures/Penalties/Imposed

The shares of the company were suspended from trading at Bombay Stock Exchange Ltd. from 29.12.2007 to 15.10.2008 for non-compliance with the provisions of the Listing Agreement. Subsequently, the Company has complied with all the provisions to the satisfaction of the Exchange and Suspension of Trading of Company's securities was revoked from October 16, 2008.

Compliance of Non Mandatory Requirements :

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

9. Means of Communication :

The quarterly, half-yearly and yearly financial results of the Company are normally sent to the Bombay Stock Exchange Limited immediately after the same are approved by the Board and results are normally published in Free Press Journal (English) and Navshakti (Marathi) newspapers.

10. General Shareholders information :

- i. Annual General Meeting :
 Date & Time : 6th September, 2012 at 10.00 a.m.
 Venue : Kilachand Conference Room, Indian Merchant's Chamber, Churchgate, Mumbai – 400 020.
- ii. Financial Year
 Financial reporting for the quarter ending June 30, 2012 : On or Before 14th August, 2012
 Financial reporting for the half year ending September 30, 2012 : On or Before 14th November, 2012
 Financial reporting for the quarter ending December 31, 2012 : On or Before 14th February, 2013
 Financial reporting for the year ending March 31, 2013 : On or Before 30th May, 2013
 Annual General Meeting for the year ended March 31, 2013 : On or Before September 2013
- iii. Date of Book Closure : 1st September, 2012 to 6th September, 2012 (both days inclusive)
- iv. Dividend Payment Date : Not Applicable
- v. Listing on Stock Exchanges : Bombay Stock Exchange Limited
- vi. Stock Code : 524594
- vii. Market Price Data :

Months	Share Price of Ashok Alco-Chem Limited			BSE Sensex	
	High	Low	Volume	High	Low
April, 2011	19.71	8.63	25805	19,811.14	18,976.19
May, 2011	19.40	14.40	14000	19,253.87	17,786.13
June, 2011	21.75	17.85	55761	18,873.39	17,314.38
July, 2011	22.15	18.25	23169	19,131.70	18,131.86
August, 2011	24.90	19.05	20971	18,440.07	15,765.53
September, 2011	22.55	16.10	8703	17,211.80	15,801.01
October, 2011	18.90	14.35	14113	17,908.13	15,745.43
November, 2011	21.50	15.60	16792	17,702.26	15,478.69
December, 2011	21.35	16.20	5488	17,003.71	15,135.86
January, 2012	23.00	16.40	933841	17,258.97	15,358.02
February, 2012	22.40	18.10	20957	18,523.78	17,061.55
March, 2012	22.55	17.85	16768	18,040.69	16,920.61

ASHOK ALCO-CHEM LIMITED

viii. Register and Share Transfer Agent:

Link Intime India Pvt. Ltd.
203, Daver House, 2nd Floor,
197/199, Dr. D. N. Road,
Mumbai-400001.

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West)
Mumbai-400 078.

ix. Share Transfer System:

Shares lodged for transfer in physical form are processed and duly transferred Share Certificates are sent within 30 days of receipt of the valid documents. The Shares are transferred at an interval of 15 days time.

x. Distribution of Shareholding:

The Distribution of Shareholding as on 31st March, 2012.

No of Shares	No. of Shareholders	% of ShareHolders	No. of Shares Held	% of Total Share holders
1-5000	2965	91.37	395191	10.47
5001-10000	142	4.38	112808	2.99
10001-20000	63	1.94	92746	2.46
20001-30000	29	0.89	74900	1.98
30001-40000	9	0.28	32100	0.85
40001-50000	12	0.37	54404	1.44
50001-100000	11	0.34	80787	2.14
100001 & above	14	0.43	2932407	77.67
Total	3245	100.00	3775343	100.00

Category Wise Distribution of Shareholdings as on 31st March, 2012

Category	No of Share Holders	% of Share Holdings	No of Shares Held
Promoter and Promoter Group	3	37.26	14,06,661
Mutual Funds	1	0.00	100
Financial Institutions	1	13.25	5,00,100
Bodies Corporate	39	25.09	9,47,175
Individual Shareholders	3183	23.99	9,05,671
Clearing Member	12	0.23	8,717
Non Resident Indians	6	0.18	6,919
Total	3245	100.00	3,775,343

xi. Dematerialization of Shares :

Electronic holding by members constitute 80.47 % of the total Equity Capital of the Company. The Members are requested to get their shares demated to facilitate better custody and easy dealings.

xii. Outstanding GDRs/ADRs Warrants: Not Applicable

xiii. Plant Location:

Plot No.A-22/2/1, Mahad Industrial Area, Vill.-Kamble, Mahad- 402301, Dist. Raigad, Maharashtra.

ix. Address for correspondence:

404, Sharda Chambers, 33, New Marine Lines, Mumbai – 400 020.

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. I confirm that the Company has in respect of the financial year ended 31st March, 2012, received from the Senior Management Team of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

Place: Mumbai
Date: 22nd May, 2012

Dr. Anil M. Kadakia
Chairman & Managing Director

ASHOK ALCO-CHEM LIMITED

CEO/CFO CERTIFICATION

To,
The Board of Directors
Ashok Alco-Chem Ltd.
Mumbai.

This is to certify that:

I have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief, these statements do not contain any Materially untrue statement or omit any material fact or contain statements that might be misleading, these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.

I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

I have indicated to the auditors and the Audit Committee,

- significant changes in Internal Control during the year ;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
- instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Mumbai
Date: 22nd May, 2012

Dr. Anil M. Kadakia
Chairman & Managing Director

CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT BY ASHOK ALCO-CHEM LIMITED

We have examined compliance by Ashok Alco-Chem Limited (the Company) with the requirements under Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange for the year ended on 31st March, 2012.

In our opinion and to the best of our information and according to the explanations given to us and the representation by the Directors and the management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under Clause 49. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

We state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Investor Grievance Committee.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Makarand M. Joshi & Co.

**Sd/-
Kumudini Paranjape
Partner
FCS No. 6667
CP No. 6690**

**Place: Mumbai
Date: 19th May, 2012**

ASHOK ALCO-CHEM LIMITED

AUDITOR'S REPORT

**TO
THE MEMBERS
ASHOK ALCO CHEM LIMITED
MUMBAI**

We have audited the attached Balance Sheet of **ASHOK ALCO CHEM LIMITED**, as at 31st March, 2012 and also the Statement of Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments as above, we report that;

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law

have been kept by the Company so far as appears from our examination of those books;

3. The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.
5. According to information & explanations given to us and on the basis of written representations received from the Directors of the Company & taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No. 1 for non provision of interest on sales tax dues aggregating to Rs. 66,67,265/- and read along with other notes to accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) In the case of Statement of Profit and Loss Account, of the PROFIT for the year ended on that date, and
 - c) In case of Cash Flow Statement, cash flow for the year ended on that date.

**For R.A. KUVADIA & Co.
Chartered Accountants**

(R.A. KUVADIA)

Proprietor

M. No. 40087

FRN NO.: 105487W

Place : Mumbai

Date : 22.05.2012

Annexure referred to in Paragraph 3 of our report of even date

1.
 - (a) *The Company is in the process of updating the records showing particulars, including quantitative details and situation of fixed assets;*
 - (b) The fixed assets have been physically verified by the management & we are informed that no major discrepancies were noticed on such verification;
 - (c) In our opinion and according to the information and explanations given to us, during the year the Company has not disposed of substantial part of fixed assets and the going concern status of the Company is not affected.
2.
 - (a) The stock of Finished Goods, Raw materials, Stores and consumables were physically verified by the Management at the year end;
 - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
3.
 - (a) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
 - (b) According to the information and explanations given to us, the Company has taken unsecured loans from one party covered in the register maintained under Section 301 of the Companies Act, 1956 and the maximum amount outstanding during the year was Rs. 21,33,800/- and outstanding at the year end was Rs. 2,29,303/- and the terms and conditions of the loans are not prejudicial to the interest of the company.
 - (b) Deposits and advances given to parties listed under section 301 for use of the assets or otherwise are free of interest. The loans or advances in nature of loan from companies or parties listed in the register maintained under section 301 of Companies Act 1956 are, prima facie, not prejudicial to the interest of the Company. There are no stipulations as to repayments of loans.

ASHOK ALCO-CHEM LIMITED

4. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed asset and with regard to the sale of goods. During the course of our audit, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section;
(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements exceeding value of rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public and as such provisions of Section 58A and Rules made there under, coupled with directives issued by Reserve Bank of India are not applicable.
7. The Company has an internal audit system commensurate with the size and nature of its business
8. The company has to maintain cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956, for its manufacturing activities applicable to the Company for the year under review and the same are certified by the Cost Accountant appointed by the Company as proper.
9. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs duty, Excise Duty, Cess and other material statutory dues applicable to it.
(b) According to the records of the Company and subject to method of accounting consistently followed by it the undisputed amount payable to appropriate authorities in respect of -

Name of the Statute	Nature of Dues	Amount Rs in lacs	Financial Year /s to which the amount relates	Forum where dispute is pending
Sales Tax	Assessment dues	3.92	1993-1994	Commissioner of Sales Tax
Sales Tax	Assessment dues	25.17	2000-2001	Commissioner of Sales Tax
Sales Tax	Assessment dues	35.17	2001-2002	Commissioner of Sales Tax
Sales Tax	Assessment dues	45.46	2002-2003	Commissioner of Sales Tax
Sales Tax	Assessment dues	12.53	2003-2004	Commissioner of Sales Tax
Sales Tax	Assessment dues	24.12	2004-2005	Joint Commissioner of Sales Tax
Sales Tax *	Deferral	84.52	1993-1994 to 2000-2001	Commissioner of Sales Tax
Income Tax Act	Demand Notice	26.30	1996-1997	ITAT, Mumbai
Income Tax Act	Demand Notice	99.37	1997-1998	Mumbai High Court

* The Company has obtained Installment facility in respect of the Deferral dues and is regular in remitting the installments as stipulated.

10. The Company has accumulated losses in excess of free reserves. The company has not incurred cash loss during the year under review.
11. The Company has not defaulted in repayment of dues to financial institution or banks or debenture holders.
12. The Company has not given any guarantees for loan taken by others from banks and financial institutions.
13. According to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) are not applicable to the Company.
15. The Company has invested in mutual funds. The Company has maintained proper records of transactions and contracts and the same have been held in the name of the Company.
16. According to the information and explanations given to us, the Company has not taken any term loan during the year under review.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis, prima facie, have not been used during the year for long-term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. The Company has not raised any money through a public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year under review.

For R.A. KUVADIA & Co.
Chartered Accountants

(R.A. KUVADIA)

Proprietor

M. No. 40087

FRN NO.: 105487W

Place : Mumbai
Date : 22.05.2012

ASHOK ALCO-CHEM LIMITED**BALANCE SHEET AS AT 31st MARCH 2012**

(Amounts in INR)

Particulars	Note No.	31st March 2012		31st March 2011
<u>EQUITY AND LIABILITIES :</u>				
Shareholders' Funds				
Share Capital	2	37,753,430	37,753,430	
Reserves and Surplus	3	21,830,767	59,584,197	(13,015,732) 24,737,698
Non-Current Liabilities				
Long-term Provisions	4		1,969,482	16,912,731
Current Liabilities				
Short-term Borrowings	5	56,800,110	131,852,970	
Trade Payables	6	806,231,183	518,618,478	
Other Current Liabilities	7	87,092,952	84,883,319	
Short-term Provisions	8	566,366	950,690,611	619,707 735,974,474
Total...			1,012,244,290	777,624,905
<u>ASSETS :</u>				
Non-Current Assets				
<u>Fixed Assets</u>				
Tangible Assets	9	95,489,476	91,518,846	
Intangible Assets		4,555	6,376	
Capital Work-in-Progress		2,842,856	-	
		98,336,887	91,525,222	
Non-current Investments	10	14,000	14,000	
Deferred Tax Asset (Net)		23,416,053	34,312,796	
Long-term Loans and Advances	11	91,531,136	40,401,844	
Other Non-current Assets	12	726,764	214,024,840	411,165 166,665,027
Current Assets				
Current Investments	13	2,460,757	-	
Inventories	14	34,815,327	50,728,716	
Trade Receivables	15	651,216,695	461,559,358	
Cash and Cash Equivalents	16	22,341,019	18,619,342	
Short-term Loans and Advances	17	87,385,652	798,219,450	80,052,462 610,959,878
Total...			1,012,244,290	777,624,905

The accompanying notes 1 to 24 are an integral part of these financial statements.

As per our report of even date**For R. A. Kuvadia & Co.
Chartered Accountants****(R. A. Kuvadia)
Proprietor
Membership No. 40087
F.No. 105487W****Place : Mumbai
Date : 22nd May, 2012****For and on behalf of the Board****Dr. Anil M. Kadakia
Chairman & Managing Director****V P Shah
Director****Place : Mumbai
Date : 22nd May, 2012**

ASHOK ALCO-CHEM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

(Amounts in INR)

Particulars	Note No.	2011-2012	2010-2011
REVENUE :			
Revenue from Operations	18	3,188,318,855	2,815,531,828
Other Income	19	27,851,603	53,624,874
Total Revenue		3,216,170,458	2,869,156,702
EXPENSES :			
Cost of Materials Consumed	20	616,455,649	241,299,430
Purchases of Stock-in-Trade		1,561,928,682	1,259,845,361
Changes in Inventories	21	8,991,393	3,115,766
Employee Benefit Expenses	22	22,755,936	15,778,051
Finance Costs	23	10,426,275	9,795,570
Depreciation and Amortization		9,911,547	9,919,861
Other Expenses	24	940,195,716	1,319,815,426
Total Expenses		3,170,665,198	2,859,569,465
Profit Before Tax		45,505,260	9,587,237
Tax Expenses			
Earlier Year Adjustments		(237,982)	208,027
Deferred Tax		10,896,743	10,658,761
		(8,025,839)	(7,817,812)
Net Profit for the year		34,846,499	17,405,049
Earnings per Equity Share of Face Value Rs. 10/- each			
Basic and Diluted (in Rs.)		9.23	4.61

The accompanying notes 1 to 24 are an integral part of these financial statements.

As per our report of even date

For R. A. Kuvadia & Co.
Chartered Accountants

(R. A. Kuvadia)
Proprietor
Membership No. 40087
F.No. 105487W

Place : Mumbai
Date : 22nd May, 2012

For and on behalf of the Board

Dr. Anil M. Kadakia
Chairman & Managing Director

V P Shah
Director

Place : Mumbai
Date : 22nd May, 2012

ASHOK ALCO-CHEM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

	MARCH-2012	MARCH-2011
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	455.05	95.87
Adjustments for:		
Depreciation	99.12	99.20
Foreign Exchange (Gain) / Loss	(83.03)	(348.01)
Sundry Balance w/off/ (w/back)	(7.25)	0.40
Extra Ordinary item	0.00	0.00
Prior period item	2.38	(2.08)
Interest & Finance Charges	104.26	97.96
Interest Received	(33.33)	(1.45)
Profit on Sale of Asset	0.00	(12.70)
Sale of Scrap	(2.61)	(5.81)
Share Trading Loss /(Income)	0.00	2.82
Dividend Income	(57.45)	(39.01)
	22.09	(208.68)
Operating Profit before Working Capital Charges	477.14	(112.81)
Adjustments for:		
Decrease/(Increase) in Receivables	(1691.42)	(1198.82)
Decrease/(Increase) in Inventories	159.14	(46.65)
Increase/(Decrease) in Payables	2949.79	562.94
Foreign Exchange Gain / Loss	83.03	348.01
Sundry Balance w/off	7.25	(0.40)
	1507.79	(0.40)
Cash generated from operations	1984.93	(447.73)
Income Tax paid	15.00	0.00
Net Cash flow from Operating activities	1969.93	(447.73)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(167.23)	(158.79)
Purchase of Mutual Fund	(24.61)	0.00
Proceeds from Sale of Fixed Assets	0.00	82.99
Increase in Loans, Advances & Others	(979.47)	0.00
Share Trading Income	0.00	(2.82)
Proceeds from Sale of Scrap	2.61	5.81
Interest Income Received	33.33	1.45
Dividend Income Received	57.45	39.01
	(1077.92)	(32.35)
Net Cash Flow from Investing activities	(1077.92)	(32.35)
C CASH FLOW FROM FINANCING ACTIVITIES		
<u>Proceeds from Long term Borrowings</u>		
Secured	43.42	500.27
Unsecured	(793.95)	(12.41)
Issue of Fresh Share Capital	0.00	0.00
Interest paid	(104.26)	(97.96)
	(854.79)	389.90
Net Cash Flow from Financing activities	(854.79)	389.90
Net increase in Cash & Cash Equivalents	37.22	(90.18)
Cash and Cash Equivalents as at 01.04.11	186.19	276.37
Cash and Cash Equivalents as at 31.03.12	223.41	186.19
Note : Previous years figures are regrouped/recast wherever necessary		

As per our report of even date

For R. A. Kuvadia & Co.
Chartered Accountants

(R. A. Kuvadia)
Proprietor
Membership No. 40087
F.No. 105487W

Place : Mumbai
Date : 22nd May, 2012

For and on behalf of the Board

Dr. Anil M. Kadakia
Chairman & Managing Director

V P Shah
Director

Place : Mumbai
Date : 22nd May, 2012

ASHOK ALCO-CHEM LIMITED

NOTE :1

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India and the Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006.

II. USE OF ESTIMATES:

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of the assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

III. FIXED ASSETS AND DEPRECIATION/ AMORTIZATION:

- (i) Gross Fixed Assets are stated at historical cost of acquisition / construction net of Cenvat Credit/Input Credit under VAT on capital goods.

Depreciation on tangible assets is provided on Straight Line Method at the rates specified in Schedule XIV to The Companies Act, 1956.

Lease hold land is amortised over the period of lease.

- (ii) Fixed assets are eliminated from financial statements either on disposal or when retired from active use. The retired assets are disposed off or discarded immediately.
- (iii) Depreciation is provided on pro-rata basis from the month in which assets have been put to use and up to the month in which assets have been used by the company.

IV. IMPAIRMENT OF ASSETS:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

V. FOREIGN CURRENCY TRANSACTIONS:

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

VI. REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when the significant risk and reward of ownership of the goods have passed to the buyer which normally coincides with the despatch of goods from the factory of the company. Sales are disclosed net off trade discount and Sales returns.

Revenue in respect of insurance, interest, cash subsidy and other claims is recognized only when it is reasonably certain that the ultimate collection will be made.

VII. OPERATING LEASES:

Lease arrangements where risk and rewards incidental to ownership of an asset, substantially vests with the Lessor, are classified as operating leases.

Rental expenses on assets (land) obtained under operating lease arrangement are recognized on a straight line basis over a term of the lease, and in respect of Immovable Equipments are recognized as per the terms of the Lease agreement.

ASHOK ALCO-CHEM LIMITED

VIII. INVESTMENTS:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long – term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long – term investments are carried at cost.

IX. INVENTORIES:

- i) Raw materials and packing materials are valued at landed cost determined on FIFO Basis net off VAT/CENVAT, wherever applicable.
- ii) The finished and trading goods have been valued at cost or net realizable value whichever is less.
- iii) Semi finished goods have been valued at estimated cost, as certified by the management.
- iv) Stores & Spares have been valued at cost or market price whichever is lower.

X. FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTIONS:

In respect of derivative contract, premium paid, gains/losses on settlement and losses on restatement are recognized in the Statement of Profit and Loss.

XI. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Post –Employment Benefit Plans:

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.
- ii. Defined Benefit Plan : The liability in respect of gratuity is determined on the basis of the actuarial valuation carried out at the Balance Sheet date by Life Insurance Corporation of India under Death cum Retirement Gratuity Scheme, as the Company has opted for the said scheme during the year under review, and Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. In respect of gratuity the Company has approved Gratuity trust linked with Life Insurance Corporation of India and Company every year provides towards differential liability on the basis of actuarial valuation.
- iii. Other long term Employee Benefits: Other long term employee benefits are recognized as an expense in the Statement of Profit and Loss and are valued as per company's policy.

XII. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized, as applicable. Other borrowing costs are recognized as an expense in the period in which they are incurred.

XIII. TAXES ON INCOME:

Tax expense comprises of Current and Deferred Tax. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of The Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

XIV. EARNINGS PER SHARE:

Basic Earnings per Share is computed by dividing the net profit attributable to Equity Shareholders for the year, by weighted average number of Equity Shares outstanding during the year. Diluted earning per share is computed using the weighted average number of Equity and dilutive Equity equivalent shares outstanding at year-end.

XV. PROVISIONS AND CONTINGENT LIABILITIES:

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

XVI. CASH AND CASH EQUIVALENTS:

Cash and Cash Equivalents in the Balance sheet comprise cash at bank and in hand and Short Term deposits with an original maturity of 3 months or less.

XVII. ACCOUNTING POLICIES:

Accounting Policies not specifically referred to, are consistent and in consonance with generally accepted Accounting principles.

ASHOK ALCO-CHEM LIMITED

Note No. 2

2.1 Share Capital:

	31st March 2012 Rs.	31st March 2011 Rs.
Authorised		
50,00,000 (50,00,000) Equity Shares of Rs. 10 (Rs. 10)	50,000,000	50,000,000
20,00,000 (20,00,000) 11% Preference Shares of Rs. 10 (Rs. 10)	20,000,000	20,000,000
	70,000,000	70,000,000
Issued, Subscribed and Paid up		
37,75,343 (37,75,343) Equity Shares of Rs. 10 (Rs. 10)	37,753,430	37,753,430
(Of the above, 5,00,000 shares allotted to SICOM ARC Ltd. are for consideration other than cash in terms of Resolution passed by the members at the Extra-Ordinary General Meeting held on 29.01.2009)		
	37,753,430	37,753,430

- (a) The company has only one class of shares referred to as Equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.
- (b) There is no change in Issued and Subscribed share capital during the year.

2.2 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2012		31st March 2011	
	No. of shares	% of holding	No. of shares	% of holding
Anil M Kadakia	1,233,558	32.67	2,139,640	56.67
SICOM ARC Limited	500,100	13.25	500,000	13.24
Aura Alkalies & Chemicals Limited	906,082	24.00	-	-

Note No. 3

Reserves and Surplus

Particulars	31st March 2012 Rs.	31st March 2011 Rs.
a. Capital Reserve		
Balance at the beginning of the year	92,381,000	92,381,000
Current year transfer	2,500,000	-
Balance at the end of the year	94,881,000	92,381,000
b. Capital Subsidy		
Balance at the beginning of the year	2,500,000	2,500,000
Transfer to Capital Reserve	(2,500,000)	-
Balance at the end of the year	-	2,500,000
c. Revaluation Reserve		
Balance at the beginning of the year	-	985,868
Transfer from surplus	-	985,868
Balance at the end of the year	-	-
d. Securities Premium		
Balance at the end of the year	61,879,025	61,879,025
e. Surplus in Statement of Profit & Loss		
Balance at the beginning of the year	(169,775,757)	(187,180,806)
Net Profit for the current year	34,846,499	17,405,049
Balance at the end of the year	(134,929,258)	(169,775,757)
	21,830,767	(13,015,732)

ASHOK ALCO-CHEM LIMITED

Note No. 4 Long Term Provisions

Particulars	31st March 2012 Rs.	31st March 2011 Rs.
Provision for Leave Encashment	618,232	390,074
Provision for Gratuity	1,351,250	4,112,320
Provision for Taxation	-	12,410,337
	1,969,482	16,912,731

Note No. 5 Short Term Borrowings

a. Secured

Working Capital from Bank (Secured Against Receivables & Stock of Global Trading Division)	54,369,093	50,026,562
	54,369,093	50,026,562

b. Unsecured

Loan from Directors	184,000	184,000
Loan from Others	2,247,017	81,642,408
	2,431,017	81,826,408
	56,800,110	131,852,970

Note No. 6 Trade Payables

Sundry Creditors:

Micro, Medium and Small Enterprises	703,720	1,136,645
Other than Micro, Medium and Small Enterprises	805,527,463	517,481,833
	806,231,183	518,618,478

Note No. 7 Other Current Liabilities

Advances from customers	29,762,620	9,246,593
Statutory Liabilities	21,014,709	21,440,921
Other Liabilities	36,315,623	54,195,805
	87,092,952	84,883,319

Note No. 8 Short Term Provisions

Provision for Bonus	566,366	619,707
	566,366	619,707

ASHOK ALCO-CHEM LIMITED

Note No. 9 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1st April 2011*	Additions	Deductions	As at 31st March 2012	As at 1st April 2011*	Deductions	As at 31st March 2012	As at 1st April 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets								
Land	15,311,942	-	-	15,311,942	-	-	15,311,942	15,311,942
Land under Lease	7,304,000	-	-	7,304,000	1,267,253	-	6,024,070	6,036,747
Buildings	23,621,395	-	-	23,621,395	9,264,240	-	13,941,006	14,357,155
Plant & Equipment	243,545,888	11,344,885	-	254,890,773	188,311,648	-	57,470,329	55,234,240
Furniture & Fixtures	895,059	246,967	-	1,142,026	892,659	-	902,192	2,400
Vehicles	4,690,934	2,033,138	-	6,724,072	4,490,741	-	1,988,042	200,193
Office Equipment	1,065,939	116,800	-	1,182,739	862,626	-	257,132	203,313
Air conditioners	512,860	56,990	-	569,850	461,938	-	87,405	50,922
Computers	2,477,668	81,577	-	2,559,245	2,355,734	-	169,717	121,934
Sub Total	299,425,685	13,880,357	-	313,306,042	207,906,839	-	217,816,565	91,518,846
Intangible Assets								
Computer Software	11,232	-	-	11,232	4,856	-	6,677	6,376
Sub Total	11,232	-	-	11,232	4,856	-	6,677	6,376
Capital Work-in-Progress								
Total	299,436,917	16,723,213	-	316,160,130	207,911,695	-	217,823,242	91,525,222
Previous Year	308,074,468	15,878,704	24,516,255	299,436,917	161,236,552	17,486,523	145,767,028	146,837,916

* Gross Block and Accumulated Depreciation as on 01.04.2011 includes Revaluation of Rs. 6,22,42,926 /-and Accumulated Depreciation on revalued assets of Rs. 5,42,41,806 /-

ASHOK ALCO-CHEM LIMITED

Note No. 10 Non Current Investments

Particulars	31st March 2012 Rs.	31st March 2011 Rs.
Investments in Equity Instruments		
Unquoted (at cost)		
Chhatrapati Sahakari Sakhar Karkhana Limited 7 (7) shares @ Rs. 2,000/-, fully paid up	14,000	14,000
Total	14,000	14,000
Aggregate amount of Unquoted Investments	14,000	14,000

Note No. 11 Long-term Loans and Advances

Unsecured (considered good, unless otherwise stated)

Capital Advances	8,600,798	-
Security Deposits	14,045,271	13,472,120
Deposits/Loans to Related Parties	26,519,152	26,519,152
Other loans and advances (Unsecured considered good)	42,365,915	410,572
Total	91,531,136	40,401,844

Note No. 12 Other Non - Current Assets

Advance payments of Income Tax (net of provisions)	726,764	411,165
Total	726,764	411,165

Note No. 13 Current Investments

Particulars	No. of units	31st March 2012 Rs.	No. of units	31st March 2011 Rs.
Traded in Mutual Funds				
Franklin Templeton Investment Mutual Fund - Dividend Reinvestment Plan	137,989	2,460,757	-	-
Total	137,989	2,460,757	-	-
Aggregate amount of quoted investments (Market value of Rs. 24,60,757/-) (Previous Year Rs. NIL)	137,989	2,460,757	-	-

Note No. 14 Inventories

Particulars	31st March 2012 Rs.	31st March 2011 Rs.
(As taken valued and certified by the management; valuation as stated in Note No. 1)		
Raw Materials	7,795,864	13,527,523
Work-in-Progress	2,275,934	2,397,594
Finished Goods	20,452,659	10,692,055
Traded Goods	1,612,761	20,080,090
Stores/ spares & Packing material	1,672,410	3,039,728
Fuel	1,005,699	991,726
	34,815,327	50,728,716

ASHOK ALCO-CHEM LIMITED

Note No. 18 Revenue from Operations

Particulars	2011-2012 Rs.	2010-2011 Rs.
<u>Sale of Products</u>		
Manufactured goods	828,109,917	308,363,828
Traded goods	2,461,707,664	2,546,325,828
	3,289,817,581	2,854,689,656
Less : Excise Duty	74,967,006	27,471,361
Less : VAT	26,531,720	11,686,467
	3,188,318,855	2,815,531,828
	3,188,318,855	2,815,531,828

Details of Products:

	Amt	Amt
Ethyl Acetate	704,335,474	230,490,217
Acetaldehyde	9,278,680	47,652,282
Others	114,495,763	30,221,329
	828,109,917	308,363,828

Details of Traded Goods:

	Amt	Amt
Bauxite	1,116,226,392	1,379,162,377
Bentonite	841,101,920	841,911,070
Bleaching Earth	151,698,937	54,688,260
China Clay	11,129,297	-
Fillers	553,122	-
Iron Ore	59,611,809	56,339,979
Kaolin	44,186,025	153,051,934
Gypsum	226,350,929	46,128,143
Others	10,849,233	15,044,065
	2,461,707,664	2,546,325,828

Note No. 19

Other Income

Interest Income	3,333,315	144,880
Dividend Received	5,745,485	3,900,861
Sundry Balances written back	725,154	(39,803)
Foreign Currency Fluctuation Gain	8,345,343	34,801,068
Miscellaneous Income	9,702,306	14,817,868
	27,851,603	53,624,874

ASHOK ALCO-CHEM LIMITED

Note No. 20

Cost of Materials Consumed

Particulars	2011-2012		2010-2011
	Rs.		Rs.
Opening Stock	13,527,523	6,610,174	
Purchases	610,723,990	248,216,779	
	624,251,513	254,826,953	
Closing Stock	7,795,864	13,527,523	241,299,430
	616,455,649		241,299,430

Details of Raw Materials:

	Amt	Amt	
Acetic Acid	307,167,044	105,077,560	
Alcohol for Ethyl Acetate	295,298,731	97,257,297	
Alcohol for Acetaldehyde	5,189,600	32,400,070	
Others	3,068,615	13,481,852	
	610,723,990	248,216,779	

Note No. 21

Changes in Inventories

Opening Stock

Finished Goods	10,692,055	4,300,004	
Traded Goods	19,686,077	30,896,768	
Work-in-Progress	2,397,594	694,720	35,891,492

Closing Stock

Finished Goods	20,452,659	10,692,055	
Traded Goods	1,055,740	19,686,077	
Work-in-Progress	2,275,934	2,397,594	32,775,726

8,991,393

3,115,766

Note No. 22

Employee Benefit Expenses

Salaries, Wages, Allowances and Bonus	20,439,922	13,371,064
Contribution to Employee Benefit Funds	1,259,383	2,120,139
Staff Welfare Expenses	1,056,631	286,848
	22,755,936	15,778,051

Note No. 23

Finance Costs

Interest

Working Capital Finance	7,348,799	26,738	
Others	2,370,000	9,718,799	7,110,000
Other Financial Costs		707,476	2,658,832
		10,426,275	9,795,570

ASHOK ALCO-CHEM LIMITED

Note No. 24

Other Expenses

Particulars	2011-2012		2010-2011
	Rs.		Rs.
<u>Manufacturing Expenses</u>			
Stores and Spares Consumed	4,521,024	1,463,318	
Packing Materials and Charges	8,012,870	4,324,470	
Power & Fuel	59,360,802	33,859,066	
<u>Repairs to:</u>			
Building	773,465	1,531,325	
Machinery	1,017,171	1,355,636	
Others	2,290,406	1,215,050	
Rent and Royalty	3,557,746	-	
Other Expenses	1,542,651	81,076,135	1,312,107
			45,060,972
<u>Selling and Distribution Expenses</u>			
Shipment Expenses	18,206,791	24,292,360	
Export Freight and Insurance	593,124,118	919,558,758	
Export Carting , Stevedoring & Port Charges	218,284,654	262,246,299	
Other Selling Expenses	16,216,299	845,831,862	56,941,833
			1,263,039,250
<u>Administrative and Other Expenses</u>			
Travelling Expenses	2,304,828	1,144,585	
Rates and Taxes	2,225,672	968,768	
Insurance Premium	852,527	5,037,534	
Advertisement and Business Promotion	142,306	6,459	
Legal and Professional Fees	2,945,361	1,014,822	
Directors Sitting Fees	34,500	16,500	
Payments to Auditor	248,175	248,175	
Donation	8,001	27,200	
General expenses	4,526,349	13,287,719	3,251,161
		940,195,716	1,319,815,426

Note (i) Payment to Auditors

Payments to the Auditor	2011 - 2012	2010 - 2011
	Rs.	Rs.
a. Auditor (incl. Service Tax)	115,815	115,815
b. Taxation matters	71,695	71,695
c. Other services	60,665	60,665
Total	248,175	248,175

ASHOK ALCO-CHEM LIMITED

NOTES TO ACCOUNTS:

1. The company has not made provision for interest on sales tax assessment dues of earlier years aggregating to Rs.66,67,265/-which has resulted in the profit for the year and Reserves and Surplus being overstated by the said amount.
2. The company has entered into transactions with concern in which Managing Director is interested and has not complied with the provisions of section 297 under the Companies Act, 1956 and the purchases amounts to Rs. 23,76,115/- and sales amounts to Rs. 31,50,760/-

3. Contingent Liabilities:

Contingent Liabilities not provided for in respect of:

Sr. No.	Particulars	2011 – 2012	2010 – 2011
1.	Income Tax matters	NIL	1,49,57,630/-
2.	Sales Tax	13,96,998/-	80,64,263/-
3.	Excise/Service tax matters	5,85,376/-	5,85,376/-
4.	Bank Guarantee	7,22,300/-	NIL
	Total	27,04,674/-	2,36,07,269/-

4. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs. 2,90,77,155/- (Rs. NIL)

5. In the opinion of the Board of Directors of the Company, the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business.

6. Assets under Operating Leases:

The Company has taken on operating lease certain assets. The total lease rent paid on the Immovable Equipments amounts to Rs. 35,57,746/- and the amount ammortised on leased land amounts to Rs. 12,677/-

7. *The provision for doubtful debts continues at an amount of Rs. 1056.35 Lacs (PY.1056.35 lacs). In the opinion of the management these debts have not become bad and they are hopeful of recovery of the amount.*
8. The company has provided for gratuity to employees based on the actuarial valuation report. However the said liabilities aggregating to Rs. 13.51 are not funded. We have been informed by the management that Life Insurance Corporation of India has permitted to remit the said dues within a span of twelve months starting from March, 2012.

9. Segment Reporting:

Business Segment

The company is having two Business Segments viz. Chemical Division (Manufacturing) and Global Trading Division. (Rs. In Lacs)

	Chemical Division (Manufacturing)		Global Trading Division		Total for the year ended 31 st March, 2012	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Segment Revenue	7,310	2,863	24,781	25,695	32,091	28,558
Segment Results (P&L)	83	(187)	391	283	474	96
Unallocable Income	-	-	-	-	-	-
Unallocable Expenses	-	-	-	-	-	-
Provision for Taxation	-	-	-	-	-	-
Net Profit / (Loss)	83	(187)	391	283	474	96
Segment Assets	2,602	2,212	6,966	5,037	9,568	7,249
Unallocable Assets	-	-	-	-	-	-
Total Assets	2,602	2,212	6,966	5,037	9,568	7,249
Segment Liabilities	1,127	1,017	7,277	4,666	8,404	5,683
Unallocable Liabilities	-	-	-	-	-	-
Total Liabilities	1,127	1,017	7,277	1,017	8,404	5,683

Geographical Segment

Particulars	India		Rest of the World		Total	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Segment Revenue	17,868	3,390	15,033	25,301	32,901	28,558
Carrying cost of segment assets	9,568	7,249	-	-	9,568	7,249
Addition to Fixed Assets and Intangible Assets	139	(86)	-	-	139	(86)

ASHOK ALCO-CHEM LIMITED

10. Related Party Transaction :

A. Associate Concerns :

- Kumaka Industries Limited (Formerly Known as Ashok Organics Limited)
- Kadakia Alkalies & Chemicals Limited
- Ashok Cellulose Limited
- Ashok Chem Pharma International
- USM Enterprise
- Aqua Alco Bio-tech Pvt. Ltd.
- Ashok Pharmaceuticals Pvt. Ltd.
- Ashok & Brothers, Ashok M Kadakia HUF
- Anil M Kadakia HUF
- Pankaj M Kadakia HUF
- Aura Alkalies and chemicals private Limited

B. Key Management Personnel and Relatives :

- Dr. Anil M. Kadakia

C. Relatives of Key Management Personnel :

- Mrs. Urvashi Ashok Kadakia Proprietor of Raj Enterprises (Wife of Mr. Ashok M. Kadakia)
- Mrs. Shobhana Anil Kadakia (Wife of Dr. Anil M. Kadakia)

(Figures in Lacs)

Particulars	Associates	Key Mgt.	Relatives
Sale of goods & services (Ashok Chem Pharma)	31.51	-	-
Remuneration and sitting fees	-	23.93	-
Debts due to the company (Loans & Advances)	168.30	-	96.88
Debts payable by the company	-	14.81	-

11. Deffered Tax :

Considering the market trend for company's product and Management's perception on future outlook of the Company, the Deferred Tax Surplus for current year is accounted to the Statement of Profit and Loss. The deferred tax adjustment in terms of Accounting Standard 22 is assessed out on the basis of following timing differences.

Particulars	Deferred Tax Surplus as on 31.03.2012
Surplus-arising from claim u/s 43B net of reversal	83,13,981
Reversal of Liability-Depreciation difference as per Books compared to Income-Tax	(1,72,91,186)
Surplus-unabsorbed Depreciation and Loss Adjusted	3,23,93,258
Deferred Tax Surplus	2,34,16,053

12. Earnings Per Share :

	2011-12 Rs. In Lacs	2010-11 Rs. In Lacs
Profit (Loss) after Tax.	348.47	174.05
Of Weighted average shares		
Outstanding during the year	3,77,53,43	3,77,53,43
Basic and Diluted Earnings Per Share	9.23	4.61

13. Payment to Auditors :

(Amount in Rupees)

Sr. No.	Particulars	2011-12	2010-11
a.	Audit Fees	1,15,815	1,15,815
b.	Taxation Matters	71,695	71,695
c.	Tax Audit	38,605	38,605
d.	Other Matters	22,060	22,060
	Total	2,48,175	2,48,175

ASHOK ALCO-CHEM LIMITED

14. The Management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard (AS)-28 issued by the Institute of Chartered Accountants of India. Based on the judgment of the Management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.
15. Remuneration includes Rs.23.93 Lacs (P.Y. Rs. 24.00 lacs) paid to Managing Director.
16. Capacities, Production, Stocks and Sales :

A. Capacities:

(i)	Glacial Acetic Acid	MT	13,000 (13,000)	13,000 (13,000)
(ii)	Ethyl Acetate	MT	27,000 (5,400)	27,000 (5,400)
(iii)	Acetaldehyde	MT	10,400 (10,400)	10,400 (10,400)

B. Production, Stocks and Sales :

CHEMICAL DIVISION (Segment 1)

	Product	Opening Stock	Production/ Purchase	Sales	Closing Stock
i.	Glacial Acetic Acid :				
	Qty. (MT)	0	12	12	0
		(1)	(7)	(8)	(0)
	Value (Rs.in lacs)	0	Nil	21.78	0
		(0.32)	Nil	(3.38)	(0)
ii.	Ethyl Acetate:				
	Qty. (MT)	185	14,231	14,021	395
		(85)	(5,502)	(5,402)	(185)
	Value (Rs.in lacs)	93.85	-	8,167.28	83.29
		(41.28)	(-)	(2,692.06)	(93.85)
iii.	Acetaldehyde				
	Qty. (MT)	26	160	185	1
		(3)	(1,236)	(1,213)	(26)
	Value (Rs.in lacs)	13.07	-	150.71	0.42
		(1.40)	-	(524.23)	(13.07)
iv.	Others :	0	-	6.03	0
	Value (Rs.in lacs)	(0)	(-)	(4.36)	(0)
	Total (Rs.in lacs) I	106.92	-	8,300.80	83.71
	Total (Rs. In Lacs)	(43)	(-)	(3,234.03)	(106.92)

GLOBAL TRADING DIVISION (Segment 2)

Product	Opening Stock	Production/ Purchase	Sales	Closing Stock
Minerals				
Qty. (MT)	14,395	10,36,651	10,49,637	1,409
	(25,339)	(11,89,143)	(12,00,087)	(14,395)
Value (Rs.in lacs)	198.86	15,619.29	24,617.07	10.56
	(-)	(12,598.45)	(25,463.26)	(196.86)
Total(Rs. In Lacs) II	198.86	15,619.29	24,617.07	10.56
	(-)	(12,598.45)	(25,463.26)	(196.86)
Grand Total I+II	303.78	15,619.29	32,917.87	93.73
(Rs. In Lacs)	(351.97)	(12,598.45)	(25,463.26)	(303.78)

ASHOK ALCO-CHEM LIMITED

- Notes :
- (i) Figures in brackets are in respect of the previous year.
 - (ii) Sales includes Excise Duty and Sales Tax
 - (iii) Loss / Gain of goods and captive consumption during the year are adjusted in sales quantity.
 - (iv) Installed Capacities are as certified by management.

Analysis of Raw Materials consumed for manufacturing activities:

	Particulars	Unit	2011-2012		2010-2011	
			Qty.	Value	Qty.	Value
I	Alcohol	Lac Ltrs.	104.75	29,07,08,942	58.54	13,83,99,414
II	Glacial Acetic Acid	MT	9918	32,62,59,252	3884	10,29,00,016

Note: Values are inclusive of incidental expenses like transport, freight etc.

17. Value of Raw Materials, Stores & Packing Materials consumed :

	2011-2012		2010-2011	
	% of Total Consumption	Value Rs.	% of Total Consumption	Value Rs.
Imported	Nil	Nil	Nil	Nil
Indigenous	100	62,89,89,543	100	24,70,87,218
Total:	100	62,89,89,543	100	24,70,87,218

18. CIF Value of Imports:

Value of Imports on CIF Basis	16,25,58,424	2,81,82,462
-------------------------------	--------------	-------------

19. Expenditure in Foreign Currency:

Technical Knowhow	Nil	Nil
- For traveling	Nil	Nil
- Freight	55,28,04,720	85,74,92,352

20. Remittance in Foreign Currency on account of:

Dividend of Non-resident Shareholders	Nil	Nil
---------------------------------------	-----	-----

21. FOB value of Exports:

Earning in Foreign Exchange (FOB Value)	1,50,30,22,433	1,62,35,02,480
---	----------------	----------------

22. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/recast wherever necessary to correspond with the current year's classification disclosure.

As per our report of even date

For R. A. Kuvadia & Co.
Chartered Accountants

(R. A. Kuvadia)
Proprietor
Membership No. 40087
F.No. 105487W

Place : Mumbai
Date : 22nd May, 2012

For and on behalf of the Board

Dr. Anil M. Kadakia
Chairman & Managing Director

V P Shah
Director

Place : Mumbai
Date : 22nd May, 2012

ASHOK ALCO-CHEM LIMITED

Ashok Alco-Chem Limited

Registered Office : 404, Sharda Chambers, 33 New Marine Lines, Mumbai - 400 020

ATTENDANCE SLIP

Please complete this Attendance Slip and hand over at the entrance of the Meeting Hall

Full Name of Shareholder in Block Letters:

Folio No:

No of Shares Held:

I hereby record my presence at the Twentieth Annual General Meeting of the Company at Kilachand Conference Room, Indian Merchant's Chamber, Churchgate, Mumbai - 400 020 on Thursday, the 6th September, 2012 at 10.00 a.m.

Signature of Shareholder

NOTES:

1. Member/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting.
2. Member/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

Ashok Alco-Chem Limited

Registered Office : 404, Sharda Chambers, 33 New Marine Lines, Mumbai - 400 020

PROXY

Folio No.	
No of Shares held:	

I/We _____ of _____

being a Member/Members of the above named Company, hereby appoint _____

_____ of _____ or failing him/her

_____ of _____ or failing him/her

_____ of _____ as my/our Proxy

to vote for me/us and or my/our behalf at the Twentieth Annual General Meeting of the company to be held on Thursday, the 6th September, 2012 at 10.00 a.m. and any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2012.

Affix ₹ 1
Revenue
Stamp
Here

Signature

NOTE: The Proxy must be deposited at the Registered office of the company not less than 48 hours before the time for holding the Meeting.

BOOK-POST

TO,

If undelivered, please return to :

ASHOK ALCO-CHEM LIMITED

404, Sharda Chambers,

33, New Marine Lines, Mumbai - 400 020